

# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
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TO: Gail Oxendine, Director  
Human Resources Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 26, 2010

RE: 2010-2011 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Tuesday, April 27, 2010 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Norman White, Finance Department Director  
Pamela Scales, Budget Department Director  
Ron Chenault, Budget Department Team Leader  
Kamau Marable, Mayor's Office

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## Human Resources (28)

### FY 2010-11 Budget Analysis by the Fiscal Analysis Division

#### Summary

The Human Resources Department is a General Fund agency. The Mayor's 2010-11 recommended budget of \$14.41 million reflects a \$1.8 million (11.3%) decrease from the current fiscal year.

#### 2009-10 Surplus/(Deficit)

The Mayor has estimated a net surplus of \$190,242 for the Human Resources Department. The surplus of \$190,242 is due primarily to vacancies.

#### Overtime

The Human Resources Department's 2009-10 current overtime budget is \$208,480. The recommended budget for overtime in FY 2010-11 is \$213,680 a slight increase of \$5,200 (2.5%).

#### Personnel and Turnover Savings

The Mayor recommends a net decrease of 18 positions in the 2010-11 recommended budget. The loss of 18 positions is reflected in the deletion of positions in various divisions throughout the department.

The Mayor has recommended no turnover savings for the Human Resources Department in fiscal year 2010-11.

The following is information by appropriation comparing FY 2009-10 positions, March 31, 2010 filled positions and FY 2010-11 recommended positions.

	Redbook	Filled	Mayor's	Over/(Under)	Mayor's
	Positions	Positions	Budget	Actual to	Recommend
<u>Appropriation/Program</u>	<u>FY 2009-10</u>	<u>3/31/2010</u>	<u>Positions</u>	<u>09/10</u>	<u>d</u>
			<u>FY 2010-</u>	<u>Budget</u>	<u>Turnover</u>
			<u>11</u>		
<b>Human Resources (28):</b>					
280008 HRMS	7	6	7	(1)	\$ -
280110 Administration	9	8	10	(1)	\$ -
280153 Records	5	3	4	(2)	\$ -
280154 Employee Assistance Center	0	0	0	0	\$ -
280310 Employee Development	0	2	0	2	\$ -
280311 Employee Development Training	4	4	3	0	\$ -
<b>00105 Administration</b>	<b>25</b>	<b>23</b>	<b>24</b>	<b>(2)</b>	<b>\$ -</b>
280400 Employment Services	14	14	9	0	\$ -
<b>00106 Personnel Selection</b>	<b>14</b>	<b>14</b>	<b>9</b>	<b>0</b>	<b>\$ -</b>
<b>00107 Supportive Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>
280510 Econ. Union Contract Provisions	5	4	5	(1)	\$ -
280520 Benefits Administration	15	12	13	(3)	\$ -
280530 L.R. Administration	5	5	3	0	\$ -
280540 Non-Econ. Union Contract Prov.	5	3	4	(2)	\$ -
280551 HUR Non Union	0	2	0	2	\$ -

<b>00108 Labor Relations</b>	<b>30</b>	<b>24</b>	<b>25</b>	<b>(6)</b>	<b>\$</b>	<b>-</b>
280010 Employee Svcs. - Administration	2	3	1	1	\$	-
280011 Employee Svcs. - Water	21	15	21	(6)	\$	-
280020 Employee Payroll	54	48	50	(6)	\$	-
280021 Emp. Svcs. Cust./Comm. Svcs.	7	5	8	(2)	\$	-
280022 Emp. Svcs.-Municipal Svcs.	10	10	8	0	\$	-
280023 Emp. Svcs.-Administrative Svcs.	4	4	3	0	\$	-
280610 Emp. Svcs.- Sewerage	7	6	7	(1)	\$	-
280690 Employee Svcs.- DOT	9	10	9	1	\$	-
<b>00833 Employee Services</b>	<b>114</b>	<b>101</b>	<b>107</b>	<b>(13)</b>	<b>\$</b>	<b>-</b>
<b>00854 Hearings &amp; Policy Development</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>(2)</b>	<b>\$</b>	<b>-</b>
280331 Apprentice Training Program	0	0	0	0	\$	-
280335 Apprentice Administration	1	1	1	0	\$	-
<b>10549 Apprentice Training Program</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>\$</b>	<b>-</b>
<b>280450 Interns</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>\$</b>	<b>-</b>
28XXXX Leave of Absence	0	2	0	2	\$	-
28XXXX Worker's Comp.	0	(2)	0	(2)	\$	-
28XXXX Unmatched Positions	0	0	0	0	\$	-
<b>TOTAL</b>	<b><u>186</u></b>	<b><u>164</u></b>	<b><u>168</u></b>	<b><u>(22)</u></b>	<b><u>\$</u></b>	<b><u>-</u></b>

### Significant Funding by Appropriation

#### Appro. Program

- 00105 Administration This appropriation decreases by \$217,572 in FY 2010-11. The decrease is due primarily to a \$155,290 reduction in org 280110 Administration, a \$107,012 reduction in org 28-0311 Employee Development and a \$45,541 decrease in org 28-0153 Records. The decreases are offset by a \$90,271 increase in org 28-0008 HRMS.
- 00106 Personnel Selection Appropriation decreases by \$314,809 due solely to a decrease in org 28-0400 Central HR Services, due primarily to decrease in salaries & employee benefit decreases, related to the loss of five positions.
- 10549 Apprentice Training Program This appropriation decreases slightly by \$3,840(4.2%).
- 00108 Labor Relations This appropriation decreases by \$655,626 in FY 2010-11. The decreases are due primarily to a \$437,232 decrease in org 28-0530 Labor Relations Administration (\$200,000 in contractual services), a \$174,843 decrease in org 28-0520 Benefits Administration and a \$70,680 decrease in org 28-0540 Non Economic Union Contract Provisions. The decreases are offset by a \$27,129 increase in org 28-0510 Economic Union Contract Provisions.

- 00833 Employee Services This appropriation decreases by \$656,393 in FY 2010-11. The decreases are due primarily to a \$532,371 decrease in salary & wages and a \$109,022 decrease in employee benefits, resulting from the net loss of 7 positions (4 in Employee Payroll, 2 in Employee Services-Municipal Services, 1 Employee Services- Administration and 1 in Employee Services- Administrative Services), offset by the addition of one position in Employee Services-Customer/Communication Services.
- 00854 Hearings and Policy Development This appropriation increases slightly by \$8,973 in 2010-11.

#### Significant Revenue Changes by Appropriation and Source

##### Appro. Program

- 10549 Apprentice Training Program This revenue appropriation is restored in 2010-11 at at \$85,369.
- 00833 Employee Services Revenue decreases by \$97,686 in FY 2010-11, due to corresponding appropriation decreases.

#### Budgeted and Contractual Services by Activity

##### **Human Resources (28)**

Budgeted Professional and Contractual Services by Activity	FY 2009-10 Budget	FY 2010-11 Recommended	Increase (Decrease)
Administrative Services	\$ 248,000	\$ 271,000	\$ 23,000
Employee Services Group	77,000	77,000	-
Organization	-	-	-
Labor Relations	600,000	400,000	(200,000)
Employee Services	-	-	-
Hearings & Policy Development	30,000	30,000	-
<b>Total</b>	<b>\$ 955,000</b>	<b>\$ 778,000</b>	<b>\$ (177,000)</b>

Professional and Contractual Services in the Human Resources Department decrease by \$177,000 (18.5%) in 2010-11 FY, due primarily to a \$200,000 decrease in Labor Relations, offset by a \$23,000 increase in Administrative Services.

#### Issues and Questions

The Mayor recommends a net decrease of 18 positions for the Human Resources Department for the 2010-11 FY. How will this impact the department's operations?

### **Executive Budget Pg 28-6:**

- One of the department's goals involves a "consolidation of job classifications". How many positions overall does this task entail? Please describe this process in detail. Also, are there plans for the department to evaluate the utility of this endeavor?

### **Executive Budget Pg 28-20:**

- The Employee Payroll section (org 28-0020) is projected to be reduced from 54 positions to 50 in the 2010-11 FY. Are these vacant positions? How will the loss of positions impact the day-to-day functions in Employee Payroll? Does the department have plans to move the majority of City employees to a single payday? If so, will the department have the resources to facilitate such a major undertaking?
- The department has requested five positions in the Employee Services-Communication Services section and the Mayor has recommended eight positions. Why has the Mayor added three positions more than the department has requested for this section?

What is the current status of the HRMS payroll system?

When does the department anticipate the HRMS payroll system will be completely implemented?

Please provide a list of all fees and charges made by the Human Resources Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change.

Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, identify what the activities are. Example, the Mayor's Office has established a non-profit organization in connection with the soon to be renamed Next Detroit Neighborhood Initiative Program.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? If so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

Are there changes to the Charter that would improve this agency's efficiency? Will any cars be turned in from your agency? Will any employees begin to receive stipends or mileage?

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